



18th December 2024

Senator Jess Walsh
Chair, Senate Standing Committees on Economics
Australian Government
Parliament House
Canberra ACT 2600

Dear Senator Walsh,

Re: Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024 [Provisions]

The Australian Hydrogen Council (AHC) welcomes the opportunity to engage with the Senate Economics Legislation Committee for its inquiry into the *Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024*.

The AHC is the peak body for the hydrogen industry and our membership includes companies from across the hydrogen value chain. Our members are at the forefront of Australia's hydrogen industry, developing the technology, skills and partnerships necessary to ensure that hydrogen and its derivatives play a meaningful role in decarbonising Australian industry.

The *Future Made in Australia Act* (FMIA) is a vital Australian Government response to changes in global supply chains and energy security, as well as a necessary step to reinvigorate Australian industrial capabilities and increase economic complexity. The energy transition is hugely challenging, but it also presents an important opportunity for Australia to develop competitive advantage in renewable energy production, technology and use within the global marketplace, as well as ensuring ongoing prosperity in our region.

In the 2024–25 Budget, five industries were announced as aligned with the National Interest Framework under the FMIA:

- Renewable hydrogen
- Critical minerals processing
- Green metals
- Low carbon liquid fuels
- Clean energy manufacturing, including battery and solar panel supply chains.

These industries are critical to decarbonise the Australian economy and to enhance Australia's sovereign manufacturing capabilities. Hydrogen also plays a role in most of them. Beyond renewable hydrogen itself (to decarbonise the hard to electrify parts of our economy, and as a potential export), producing green metals includes hydrogen to make iron from our iron ore and alumina from our bauxite, and low carbon liquid fuels, such as sustainable aviation fuel (SAF), need hydrogen as a feedstock to support scale when there is insufficient biofuel. Hydrogen is also an important means of processing biogenic feedstock into biofuels. There will be other manufacturing opportunities as well, such as components and assembly for electrolyzers, as well as the scaling up of Australian technologies across the value chain – production, transportation, storage and utilisation of hydrogen across a range of industries.

Within the overall FMIA approach, the HPTI is a most welcome initiative that signals to Australian investors and the rest of the world that Australia is serious about developing an investment value



proposition for attracting FID and domestic project investment, and the technology, capability and workforce opportunities that come with it. The announcement and funding of the HPTI signals the confidence of the Australian Government in the hydrogen and derivatives industries and provides a recognition that clean molecules and fuels will be needed if Australia is to achieve whole-of-economy decarbonisation.

We are pleased to note that the Australian Government is considering support models for particular end uses, such as for green metals and low carbon liquid fuels. We support these demand side initiatives and see them as being matched with the HPTI to simultaneously support demand and supply for priority industries. It is vital that the different initiatives can work together for those projects that are eligible.

The sooner that the HPTI can be legislated the better – it has piqued domestic and international investor interest, but it will not provide the requisite investor certainty on policy unless and until it is formally in place. We are grateful for the opportunity to provide input and are appreciative also for speed in completing the legislative process.

Ideally the tax offset would be adjusted for inflation, and coverage of facilities would also be wider. However, the higher priority for us is to have the HPTI passed and we ask that this happens as soon as possible if we are to avoid process delays that will undermine investor confidence in Australia's hydrogen opportunities.

We welcome the opportunity to engage further with Senate Economics Legislation Committee, including participating in public hearings.

If you wish to discuss any element of this submission in further detail, please contact me on

██████████ or ██████████.

Kind Regards,

Dr Fiona Simon

CEO

Australian Hydrogen Council